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RR RUEHMA RUEHPA
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ZNR UUUUU ZZH
R 100922Z MAR 08
FM AMEMBASSY CONAKRY
TO RUEHC/SECSTATE WASHDC 2246
INFO RUEHZK/ECOWAS COLLECTIVE
RUCPDOC/DEPT OF COMMERCE WASHDC

UNCLAS CONAKRY 000194

SIPDIS

DEPT FOR EEB/IFD/OMA
DEPT FOR ANDREW SNOW AND RICHARD FIGUEROA
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SIPDIS

E.O. 12598: N/A

TAGS: ECON EAID PREL GV

SUBJECT: GUINEA - FISCAL TRANSPARENCY REPORT

REFTEL: STATE 16737

¶11. Pursuant to REFTEL, Embassy Conakry provides the following requested information:

¶12. The Government of Guinea publishes budget and financial data, and systems are in place to record and report budget expenditures. The 2008 budget is published in book form, and is not/not available on the internet. There is little public access to the document. Furthermore, given the generally low level of education, even if the budget was available to the public, there is little likelihood of the public understanding the document. It does include revenue and expenditures; however, the budget depends on significant donor support for balance. It is unclear whether the budget figures for revenue and expenditures are meaningful, correct or even relevant. This is especially true given the lack of definition in the budget, and the extensive use of the 'miscellaneous' category for expenditures.

¶13. Guinea's weakness on fiscal transparency is due to a lack of will on the part of government officials who stand to lose if economic and fiscal reforms are successfully implemented. Corruption is endemic in the government and throughout Guinean society. There is much room for improvement in public financial management and accountability. The International Monetary Fund (IMF) and World Bank (WB) reengaged with Guinea shortly after the installation of the latest reform government. Both institutions are working on good governance and anti-corruption programs. However, Guinea has not volunteered for the IMF to report on the country's compliance with standards and codes covering fiscal transparency.

¶14. USAID assistance in Guinea primarily targets building capacity at the local level by promoting participation and transparency through development activities. USAID continues to assist the National Directorate of Water and Forests (DNEF) with PL480 Title III funds. USAID has assisted in the development of plans for co-management of seven forests by the DNEF and local communities. These co-management plans require transparent record keeping and reporting requirements, thereby ensuring accurate disclosure of forestry revenues and expenditures from local operating DNEF operating units.

¶15. USAID has funded training in the areas of Public Budgeting, Fiscal Management, Good Governance, Financial Transparency, and Financial Control Systems. USAID also organized a course on fraud awareness and auditing.

¶16. USAID's democracy and governance programs address fiscal transparency and accountability across targeted sectors such as health and education. USAID conducts transparent budget management trainings at the sub-prefects and prefect level, in such areas as management of health budgets. USAID has sponsored attendance at decentralization courses which contained budget management

components. USAID also provides education assistance such as budget planning, budget execution, reporting, auditing, training to decentralized units of the central division, and improving strategic planning and decision-making with the participation of all stakeholders.

BROKENSHIRE